

Date: 15 June 2023

Resources sector funds a health and housing State Budget

The South Australian Chamber of Mines & Energy (SACOME) welcomes announcements in the 2023 State Budget that will benefit the resources sector and the State.

The resources sector continues to be the backbone of the State economy and its contribution has enabled the State Government to present a support-focused budget.

The budget deficit comes at a time of unprecedented economic contribution and record royalties from the resources sector. The forward challenge for Government will be to reduce debt as market conditions soften.

Budget highlights for the resources sector includes \$100 million equity contribution for the Northern Water Project, a \$2.1 million for a new Copper Taskforce, \$1.2 million over 2 years for the Hydrogen & Renewable Energy Act implementation, \$1 million for ongoing works for Brukunga Mine Water Treatment Plant and a \$250 million multisector Digital Investment Fund.

Quotes attributable to SACOME CEO, Rebecca Knol:

"While it's clear the 2023 State Budget focusses on healthcare and housing, it's important that the State invests in impactful, strategic and long-term projects such as Northern Water that will future proof the State and continue to stimulate the economy."

"Ongoing growth of the resources sector is dependent on stable and progressive regulatory environments and the funding of critical infrastructure to enable greater access to the State's mineral provinces. We note minimal funding for the sectors regulator."

"As acknowledged by the Treasurer, while the economy is currently strong, our State is not immune from economic headwinds."

"The projected budget deficit of \$249 million in 2023-24 comes at a time of unprecedented economic input from the resources sector and record high royalties. The challenge for the State will be reducing debt, while maintaining critical projects and services in the event the economy continues to soften and the commodity market retracts."

Date: 15 June 2023

Northern Water Project

"SACOME welcomes the commitment of \$100 million equity contribution to progress the Northern Water Project Business Case, including environmental studies, final engineering and costings for a new and sustainable water supply for the Far North, Gawler Craton and Upper Spencer Gulf."

"For South Australia to achieve its resource growth targets, support green steel, space and defence industries and deliver its hydrogen ambitions, a sustainable water supply is critical and needs to be fast-tracked."

Regional and remote road maintenance

"South Australia's road maintenance backlog has blown out in recent years from \$723 million in 2017 to nearly \$2 billion in 2023."

"Maintenance of the State's regional and remote roads is particularly vital to support regional communities, improve economic outcomes and ensure safe and efficient supply chain routes."

"SACOME notes a modest investment of \$350 million over 4 years for regional road maintenance and a further \$10 million allocation for targeted road safety initiatives on rural roads, including audio tactile line marking, safety barriers and rural junction activated warning system signage."

"With more than half of the fatalities on our roads this year occurring in country areas, the funding allocated to regional roads is less than 50% of what is required and falls well short of the escalating maintenance backlog."

"The resources sector is reliant on roads to transport product from mine to market for the benefit of the whole economy."

"SACOME urges the State Government to fully fund the backlog to ensure the State's roads are safe and accessible for all road users."

Energy Transition

"7-years on from the closure of the Northern Power Station in Port Augusta, South Australia remains without an Energy Transition Plan and has the highest electricity prices in the nation."

"The energy reduction relief measures are band-aid solutions that mask the impact of the unplanned energy transition that is hurting households and industry."

South Australian Chamber of Mines & Energy

Level 3, 115 King William Street, Adelaide, SA 5000 | +61 8 8202 9999 | sacome@sacome.org.au | www.sacome.org.au

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"SACOME continues to strongly advocate for an [Energy Transition Roadmap](#), with industry input, to prevent a loss of manufacturing, jobs and economic growth for South Australia."

Copper Taskforce

"SACOME welcomes funding of \$2.1 million over 4 years to establish a Copper Taskforce to maximise the development of copper deposits."

"Realising South Australia's copper potential will reap enormous rewards for the entire State."

"South Australia holds more than 68% of Australia's known copper resource and is well positioned to take advantage of the growing global demand for the metal, crucial for electrification and renewable energy generation."

Digital Investment Fund

"SACOME welcomes a multisector Digital Investment Fund which may be available to continue the modernisation and digitisation of the State's regulator and known geological mineral datasets, noting that this project is not included as a priority for early consideration."

"South Australia is blessed with high prospectivity for mineral deposits. However, due to the State's complex landscape, a large portion of the State's mineral resources are buried deep underground, making exploration challenging and increasing the technical, logistical and financial risk."

"Digitising the State's extensive mineral reference library and making mineral datasets and tenement history readily available will make it more efficient for explorers to identify and assess potential deposits."

Mining Exploration Regulation System

"Continuation of funding to digitise and automate the State's mining and exploration regulation system is provided to reduce approval timeframes and ensure South Australia remains as an attractive jurisdiction for mining investment and activity."

Hydrogen & Renewable Energy Act Implementation

"\$1.2 million over 2 years has been allocated to facilitate the development and implementation of the new Hydrogen & Renewable Energy Act."

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Ends.

Media Contact:

Naomi Marsh, Director, Strategic Policy Communications, 0418 897 831

About SACOME

The [South Australian Chamber of Mines and Energy](#) is the peak industry association representing companies with interests and connections to the South Australian resources and energy sector.